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C O N F I D E N T I A L SECTION 01 OF 03 DUBLIN 001470

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SUBJECT: IRISH PRIME MINISTER PICKS HIS NEW CABINET

Classified By: Ambassador James C. Kenny, Reasons 1.4 (b) and (d)

11. (C) Summary and Comment. On September 29, the Taoiseach (Prime Minister) Bertie Ahern announced a cabinet shuffle, anticipated since early summer. The shuffle saw eight ministers switch portfolios, three members retain their positions, and four lower ranking officials join the Cabinet.

Ahern's goal is to strengthen his coalition's chances of re-election in 2007. Despite the government's successes economically and as EU president, the government took a hit in the June local and EU elections. Voters began to see the government as "uncaring" and to grow impatient at the pace of improvement in infrastructure and services following years of economic boom. In announcing his new cabinet, Ahern said he would maintain the government's strong economic program, while seeking to improve infrastructure, health, and education. The only foreign policy issue he mentioned is the Northern Ireland peace process, which he pledged to move forward, alongside the UK. Five of the Ministers are former participants in the Department of State's International Visitor programs: Mary Coughlan, Dick Roche, Dermot Ahern, Mary Harney, and Seamus Brennan. Comment: The cabinet shuffle was done for domestic reasons and is not likely to lead to major changes in foreign policy. Directors General at DFA told us they expect FM Dermot Ahern (no relation to the PM) to continue the government's current foreign policy. His calendar will be driven by events, they suggest, not by personal agenda. Thus, he joined the PM in meeting the Rev. Ian Paisley on September 30, and will then prepare for the GAERC in October. DFA officials also say that decisions on Ireland's participation in EU battle groups have been on hold pending the cabinet re-shuffle. We expect consistency in Irish foreign, defense, and economic policy, even as the PM seeks to find money on the margins to improve social services and infrastructure. End Summary and Comment.

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New Portfolios  
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The new cabinet is as follows:

12. (U) Dermot Ahern: Minister of Foreign Affairs, Fianna Fail

Ahern moves to Foreign Affairs from his position as Minister of Communications, Marine and Natural Resources. He is considered well-versed on Northern Ireland issues, having represented Louth, a border county, in the Dil (Irish Parliament), since 1987. On his first day in office, he will discuss Northern Ireland with Ian Paisley during the DUP leader's first political visit to the Republic. Ahern served as Government Chief Whip in 1991-92. He received a junior ministerial portfolio as Minister of State at the Departments of Taoiseach and Defense in that same period. Ahern is sometimes mentioned as a possible future party leader. He is not related to PM Ahern but is considered to be very close to the PM.

13. (SBU) Brian Cowen: Minister of Finance, Fianna Fail

Cowen's move to Finance from Foreign Affairs was the least surprising of the Cabinet changes, having been rumored since former Finance Minister Charlie McCreevy was tapped in August to become EU Internal Market Commissioner. A TD since 1984, the 44-year-old Cowen is widely believed to be PM Ahern's preferred successor as party and government leader, and this appointment appears designed to round out his qualifications for those positions. Formerly, he served as Minister of Labor, Minister of Health, and Minister for Transport, Energy, and Communications. He became Foreign Affairs Minister in 2000 and was widely lauded for his handling of the Irish EU presidency, including his role in negotiations on the EU constitution. At Finance, a projected year-end budget surplus will position Cowen to enhance social services as part of Fianna Fail's bid to fashion a more compassionate political image. Cowen is currently being coached by Irish economist, Alan Gray, and is positioning himself to become a future Taoiseach.

14. (C) Willie O'Dea : Minister of Defense, Fianna Fail

O'Dea, from Limerick, is a former Minister of State at the Department of Justice, Equality & Law Reform with special responsibility for Equality Issues. He was first elected to

the Dail in 1982. His political career includes appointments as Minister of State at the Department of Education in 1997, Minister of State at the Department of Justice and Health in 1993 and Minister of State at the Department of Justice in 1992-93. O'Dea has virtually no experience in Defense-related issues. However, he is a popular politician. His appointment reflects his vote-getting potential, not his defense expertise. The United Kingdom is very disappointed by this appointment.

15. (U) Micheal Martin: Minister of Enterprise, Trade and Employment, Fianna Fail

Martin, a former Minister of Education, served as Health Minister since 2000. A 2003 poll showed Martin as the most popular choice among voters to succeed PM Ahern, though Ahern appears to favor new Finance Minister Cowen. Martin is considered a media hound and is best known for having pushed through the world's first country-wide ban on smoking in enclosed public places, including pubs and restaurants, in 2004. Earlier in 2001, he introduced a national strategy to improve public health services, but the health care system remains plagued by hospital waiting lists, a bloated administrative bureaucracy, and inadequate insurance coverage. Martin has represented Cork in the Dail since 1989 and is the first Fianna Fail Minister of Enterprise, Trade, and Employment since that year. His appointment to this key ministry gives his career a boost.

16. (SBU) Mary Harney: Minister of Health and Children, Deputy Prime Minister (Tanaiste), Progressive Democrats

Harney retains the office of Deputy Prime Minister (Tanaiste), but moves to the Health Department from her previous post as Minister for Enterprise, Trade and Employment. If the government as a whole needs to show the Irish that it has a heart, Harney's Progressive Democrats need to do so even more; hence, her move from an economic ministry to a social ministry. Political commentators see Harney's move to Health as a serious political gamble. She has only two years to demonstrate change in a dysfunctional health care system. If she fails, Fianna Fail can let her take the blame; if she succeeds, she will have to share credit with Fianna Fail. An Embassy contact suggested that the hospital hardships encountered by Harney's disabled mother may have increased the Tanaiste's personal interest in the health portfolio. She is a parliamentary veteran, having entered the Irish senate in 1977 as its youngest ever member at age 24. In 1985, she left Fianna Fail and helped to set up a new right-of-center political party, the Progressive Democrats (PD). In 1989, she led the PDs into the first of several coalitions with Fianna Fail and later served as Minister of State for the Environment.

17. (U) Mary Coughlan: Minister for Agriculture and Food, Fianna Fail

Coughlan is the first woman to hold the agriculture portfolio, a surprise appointment given the traditionally conservative nature of the farming sector. She was appointed Minister for Social and Family Affairs in 2002 after serving as Minister of State at the Department of Arts, Heritage, Gaeltacht and the Islands. She has represented the electorate of Donegal South West since 1987.

18. (SBU) Martin Cullen: Minister of Transport, Fianna Fail

Cullen moves from the Department of Environment and Local Government, where he had served as Minister since 2002. He was first elected as a Progressive Democrat TD for Waterford in 1987. He lost his Dil seat in 1989, but returned to the Dil in 1992, before switching to Fianna Fail in 1993. Cullen faced criticism for his Department's failed attempt to introduce electronic voting in June, a misstep that, according to the September 28 Comptroller General's report, cost taxpayers euro 50 million. He has a tendency to grandstand for political purposes, as was likely the case in mid-September, when he publicly asked for U.S. assurances that a maritime plutonium shipment would not pass through Irish waters. In his new portfolio he will face questions about the prospects for Aer Lingus, privatization, and for liberalizing the U.S.-Ireland civil aviation agreement.

19. (U) Mary Hanafin: Minister of Education and Science, Fianna Fail

Hanafin was first elected to the Dail in 1997, representing Dun Laoghaire, a wealthy Dublin suburb. In 2002, she was top female vote-getter in parliament and promoted that year to Chief Whip and Minister of State at the Department of Defense. As Chief Whip, she was effective in maintaining party discipline. She is a convent educated, former secondary school teacher.

110. (SBU) Dick Roche: Minister of Environment and Local Government, Fianna Fail

Roche, a Wicklow TD and former university lecturer, moves up to the Cabinet from his position as Minister of State for the EU at the Department of Foreign Affairs, where he earned high praise during the EU presidency. Roche, along with Foreign Minister Cowen, led the Nice treaty referendum campaign in 2003 and is credited with reversing the electorate's rejection of Nice the previous year. He is close to PM Ahern, having managed Ahern's first, though unsuccessful, campaign for the leadership of Fianna Fail in the early 1990's. At the Department of the Environment, he may face pressure to revisit the government's decision in September not to impose taxes on carbon emissions, a move publicly criticized by leading Irish think-tanks. Roche is a good friend to the US, and the UK is likewise pleased with this appointment.

11. (U) Noel Dempsey: Minister for Communications, Marine and Natural Resources, Fianna Fail

Dempsey most recently served in the Cabinet as Minister for Education and Science, where he pressed unsuccessfully to reintroduce college-level tuition, a politically unpopular move. He was Chief Whip in 1993-94 and was named Minister for the Environment and Local Government in 1997. He has represented the constituency of Meath in the Dil since 1987.

12. (U) Seamus Brennan: Minister of Social and Family Affairs, Fianna Fail

Brennan's move is seen as a demotion from his position at Transport, where he served since 2002. He reportedly desired to remain at Transport or take a new economic portfolio, but accepted Social and Family Affairs when it became evident, after tense September 29 meetings with the Taoiseach, that he might lose a Cabinet position altogether. According to local economists, PM Ahern, a consensus-builder, took exception to Brennan's brash dealings with the Irish police and with Aer Rianta, the airport union. He was elected to the Dil in 1981 and had previously served as Chief Whip and as Minister in the Departments of Tourism, Education, and Commerce.

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Remaining Cabinet Members  
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13. (U) The following retained their cabinet seats:  
John O'Donoghue: Minister of Arts, Sports, Tourism, Fianna Fail  
Eamon O'Cuiv: Community Rural and Gaeltacht Affairs, Fianna Fail  
Michael McDowell: Justice, Equality, and Law Reform, Progressive Democrats.  
KENNY